

04-14-06

AF 7/11



HEWLETT-PACKARD COMPANY
Intellectual Property Administration
P.O. Box 272400
Fort Collins, Colorado 80527-2400

PATENT APPLICATION

ATTORNEY DOCKET NO. 10004991-1

IN THE

UNITED STATES PATENT AND TRADEMARK OFFICE

Inventor(s): Thomas D. Benson

Confirmation No.: 8164

Application No.: 10/004,296

Examiner: J. A. Fischetti

Filing Date: October 31, 2001

Group Art Unit: 3627

Title: AUTOMATED SYSTEM FOR AND METHOD OF INVENTORY MANAGEMENT CONTROL

Mail Stop Appeal Brief-Patents
Commissioner For Patents
PO Box 1450
Alexandria, VA 22313-1450

TRANSMITTAL OF APPEAL BRIEF

Transmitted herewith is the Appeal Brief in this application with respect to the Notice of Appeal filed on 12/06/2005.

The fee for filing this Appeal Brief is (37 CFR 1.17(c)) \$500.00.

(complete (a) or (b) as applicable)

The proceedings herein are for a patent application and the provisions of 37 CFR 1.136(a) apply.

(a) Applicant petitions for an extension of time under 37 CFR 1.136 (fees: 37 CFR 1.17(a)-(d)) for the total number of months checked below:

1st Month
\$120

2nd Month
\$450

3rd Month
\$1020

4th Month
\$1590

The extension fee has already been filed in this application.

(b) Applicant believes that no extension of time is required. However, this conditional petition is being made to provide for the possibility that applicant has inadvertently overlooked the need for a petition and fee for extension of time.

Please charge to Deposit Account 08-2025 the sum of \$ 500. At any time during the pendency of this application, please charge any fees required or credit any over payment to Deposit Account 08-2025 pursuant to 37 CFR 1.25. Additionally please charge any fees to Deposit Account 08-2025 under 37 CFR 1.16 through 1.21 inclusive, and any other sections in Title 37 of the Code of Federal Regulations that may regulate fees. A duplicate copy of this sheet is enclosed.

I hereby certify that this correspondence is being deposited with the United States Postal Service as Express Mail, Airbill No. EV568255651US in an envelope addressed to: MS Appeal Brief - Patents, Commissioner for Patents, Alexandria, VA 22313-1450

Date of Deposit: April 13, 2006

OR

I hereby certify that this paper is being transmitted to the Patent and Trademark Office facsimile number (571)273-8300.

Date of facsimile:

Typed Name: Laura Horton

Signature: Laura Horton

Respectfully submitted,

Thomas D. Benson

By

Michael A. Papalas

Attorney/Agent for Applicant(s)

Reg No. : 40,381

Date : April 13, 2006

Telephone : (214) 855-8186



HEWLETT-PACKARD COMPANY
Intellectual Property Administration
P.O. Box 272400
Fort Collins, Colorado 80527-2400

Docket No.: 10004991-1
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Thomas D. Benson

Application No.: 10/004,296

Confirmation No.: 8164

Filed: October 31, 2001

Art Unit: 3627

For: **AUTOMATED SYSTEM FOR AND METHOD
OF INVENTORY MANAGEMENT CONTROL**

Examiner: J. A. Fischetti

APPEAL BRIEF

MS Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

As required, this Brief is filed not more than one month after the Office Action mailed on March 14, 2006 ("Notice on Panel Decision from Pre-Appeal Brief Review"), and is in furtherance of said Notice of Appeal.

The fees required under 37 C.F.R. § 41.20(b)(2) are dealt with in the accompanying TRANSMITTAL OF APPEAL BRIEF.

This brief contains items under the following headings as required by 37 C.F.R. § 41.37 and M.P.E.P. § 1206:

- I. Real Party In Interest
- II. Related Appeals and Interferences
- III. Status of Claims
- IV. Status of Amendments
- V. Summary of Claimed Subject Matter

25642296.1

04/14/2006 CCHRAU1 00000098 002025 10004991
01 FE:1402 500.00 DA

VI.	Grounds of Rejection to be Reviewed on Appeal
VII.	Argument
VIII.	Claims
IX.	Evidence
X.	Related Proceedings
	Claims Appendix
	Evidence Appendix
	Related Proceedings Appendix

I. REAL PARTY IN INTEREST

The real party in interest for this appeal is:

Hewlett-Packard Development Company, L.P., a Limited Partnership established under the laws of the State of Texas and having a principal place of business at 20555 S.H. 249, Houston, TX 77070, U.S.A. (hereinafter "HPDC"). HPDC is a Texas limited partnership and is a wholly-owned affiliate of Hewlett-Packard Company, a Delaware Corporation, headquartered in Palo Alto, CA. The general or managing partner of HPDC is HPQ Holdings, LLC.

II. RELATED APPEALS, INTERFERENCES, AND JUDICIAL PROCEEDINGS

There are no other appeals, interferences, or judicial proceedings which will directly affect, or be directly affected by, or have a bearing on the Board's decision in this Appeal.

III. STATUS OF CLAIMS

A. Total Number of Claims in Application

There are 9 claims pending in the current application.

B. Current Status of Claims

1. Claims canceled: 1-20
2. Claims withdrawn from consideration but not canceled: 25-29
3. Claims pending: 21-29
4. Claims allowed: None
5. Claims rejected: 21-24

C. Claims On Appeal

The claims on appeal are claims 21-24

IV. STATUS OF AMENDMENTS

Appellant did not file an Amendment after the Office Action mailed on October 7, 2005 (hereinafter the “Final Action”).

V. SUMMARY OF CLAIMED SUBJECT MATTER

According to claim 21, the inventory control system comprises: a processor operable to determine a required quantity of material (paragraph [0019]; Fig. 1, 104); a means for communicating with at least one supplier of said material, wherein said communication includes conveying to said at least one supplier said quantity and a time frame and receiving from said at least one supplier a confirmation (paragraphs [0005] & [0012]; Fig. 1, 106); and a computer readable code processed by said processor, wherein said code is operable to re-determine said required quantity using feedback relating to a performance of at least one supply chain participant (paragraphs [0016]-[0018]; Fig. 1, 111).

According to claim 22, the system of claim 21 wherein said feedback includes results of a comparison between an actual run rate and a corresponding anticipated run rate (paragraph [0017]; Fig. 1, 110).

According to claim 23, the system of claim 21 wherein said feedback includes results of a comparison between an actual production yield and a corresponding anticipated production yield (paragraph [0017]; Fig. 1, 110).

According to claim 24, the system of claim 21 further comprising: a computer readable code processed by said processor and operable to determine said quantity using one or more of a product forecast, a bill of materials, a material lead time, and a desired inventory level (paragraphs [0011] & [0018]; Fig. 1, 104).

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

- A. The Examiner's rejection of claims 21-24 under 35 U.S.C. § 112(2).
- B. The Examiner's rejection of claims 21, 22, and 24 under 35 U.S.C. § 102(b).
- C. The Examiner's rejection of claims 21-24 under 35 U.S.C. § 103(a).

VII. ARGUMENT

A. Rejection Under 35 U.S.C. 112(2)

In the Final Action, the Examiner reiterated his argument that claims 21-24 are indefinite as it is unclear how the term "performance" is used. The Examiner opines "the term would seem to connote use of quality or standards but nothing has been recited to quantify this term." *See* Final Action, pg. 2. The Examiner goes on to state "nowhere does Appellant make reference to...what Appellant intends as the definition of the term performance." *See* Final Action pg. 5. The Appellant has repeatedly argued that while "performance" is admittedly broad, such breadth does not equate to indefiniteness. In the Response mailed July 7, 2005, the Appellant asserts "'performance' covers supply chain participants' usage rate or anything else within the scope of the claim; and,... is not limited to any one specific standard or quality." Moreover, reference to the specification makes clear that "performance" relates to, for example, "run rate information," including the consumption or rate of consumption of supplied materials by a supply chain participant. (spec. at pg. 5). Put simply, the Appellant feels that the Examiner has mistaken breadth for indefiniteness. The specification supports the claim as recited.

B. Rejection Under 35 U.S.C. § 102(b)

Claims 21, 22, and 24 are rejected under 35 U.S.C. 102(b) as being anticipated by United States Invention Registration No. H1743 to Graves, et al (hereinafter "Graves").

It is well settled that to anticipate a claim, the reference must teach every element of the claim. Moreover, in order for a prior art reference to be anticipatory under 35 U.S.C. § 102 with respect to a claim, “[t]he elements must be arranged as required by the claim.” *In re Bond*, 15 U.S.P.Q.2d 1566 (Fed. Cir. 1990). Furthermore, in order for a prior art reference to be anticipatory under 35 U.S.C. § 102, “[t]he identical invention must be shown in as complete detail as is contained in the . . . claim.” *Richardson v. Suzuki Motor Co.*, 9 U.S.P.Q.2d 1913 (Fed. Cir. 1989).

1. *Independent Claim 21*

Claim 21 recites “using feedback relating to a performance of at least one supply chain participant.” In the Final Action, the Examiner attempts to satisfy this element by pointing to Graves, at col. 17 lines 28-37. *See* Final Action, pg. 3. At the Examiner’s citation, Graves discloses “a feedback process used to re-calculate projected tank levels.” *See* Graves col. 3, lines 32-34. But this feature does not teach the element of claim 21; instead, this feature of Graves merely monitors the level of a storage tank and compares it to projected levels. Such a comparison provides no information regarding the performance of a supply chain participant. The Examiner further asserts that “the one supply chain participant is the customer and ‘performance’ is the functioning of the facility which as a result draws down on the tank supply.” *See* Final Action, pg. 3. Even if the level in the storage tank could be considered a “performance,” and the Appellant does not concede that it could, nothing about monitoring the level pertains to the performance of at least one supply chain participant. A comparison of an actual level in a tank to a level that was projected monitors how the tanks is used- not how it is supplied. Moreover, the re-calculation of a projected tank level based on flow rate, or the re-scheduling of a delivery in view of such, is not the same as re-determining a quantity using feedback relating to a performance of a supply chain participant. After all, a change in storage tank level may be completely independent of any activity, “performance” or otherwise, of a supply chain participant. For instance, a leak in the tank, evaporation, or temperature-based volumetric changes in the tank or fluid may well result in a change in tank level that is independent of performance of a supply chain participant. Put simply, Graves makes no mention of determining anything based upon performance of a supply chain participant in the chain supplying that tank. Therefore, Appellant respectfully submits that claim 21 is patentable, and asks that the rejection of record be reversed.

2. *Dependent Claims 22 & 24*

Claims 22 and 24 depend from independent claim 21, and thus inherit all elements of claim 21. Each of claims 22 and 24 set forth features and elements not recited by Graves. As such, the Appellants respectfully assert that for at least the above reasons set forth above with respect to claim 21, claims 22 and 24 are patentable over the 35 U.S.C. § 102 rejection of record. Moreover, as discussed below, claims 22 and 24 set forth additional elements not taught by Graves.

For example, claim 22 recites “wherein said feedback includes results of a comparison between an actual run rate and a corresponding anticipated run rate.” The Examiner points to Graves, at col. 17 lines 28-30, to satisfy this element. *See Final Action*, pg. 4. However, at the Examiner’s citation Graves merely discloses “a projected storage tank level is compared to the actual level one ever three hours.” Appellant respectfully points out that a tank level is not a run rate. Also, there is no mention of a feedback at this citation. As such, Graves fails to teach wherein said feedback includes results of a comparison between an actual run rate and a corresponding anticipated run rate. Therefore, Appellant respectfully request that the rejection of record be withdrawn.

Claim 24 recites “computer readable code processed by said processor and operable to determine said quantity using one or more of a product forecast, a bill of materials, a material lead time, and a desired inventory level.” The Examiner points to Graves, at col. 17 lines 30-31, to satisfy this element. At the Examiner’s citation Graves merely discloses “If a difference between the projected level and the actual level exceeds a predetermined threshold value, the projected levels are re-calculated using the last three hour flow rate.” Appellant respectfully points out that, at this citation, Graves is wholly silent as to any computer readable code. Appellant further points out that reevaluating projected tank levels is not the same as determining a quantity using one or more of a product forecast, a bill of materials, a material lead time, and a desired inventory level. As such, Graves fails to teach this element of claim 24. Therefore, Appellant request that the rejection of record be withdrawn.

C. **Rejection Under 35 U.S.C. § 103(a)**

Claims 21-24 have been rejected as obvious over Graves in view of U.S. Patent No. 6,816,839 to Gung et al (hereinafter “Gung”).

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art cited must teach or suggest all the claim elements. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). Without conceding the second criteria, Appellants assert that the rejection does not satisfy the first and third criteria.

Lack of Motivation

In the Final Action, the Examiner relies upon “common knowledge” to support the rejection. The motivation for making the combination was presented as follows:

“the combination of Graves and Gung is proper because the motivation given namely to create a ‘basic standard’ which the feed back could be met is provided for by Gung. It is common knowledge that in a feed back system there must exist a standard or threshold against which the feedback signals are compared. It is contemplated to use the model based value of Gung to set the threshold of the feed back system in Graves to make it have a more efficient target.” See Final Action, pg. 6.

It is well settled that the fact that references can be combined or modified is not sufficient to establish a *prima facie* case of obviousness. The language of the recited motivation is circular in nature, stating that it is obvious to make the modification because it is obvious to achieve the result. Such language is merely a statement that the reference can be modified, and does not state any desirability for making the modification. The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 913 F.2d 680, 16 USPQ.2d 1430 (Fed. Cir. 1990). Thus, the motivation provided by the Examiner is improper, as the motivation must establish the desirability for making the modification. No valid suggestion has been made as to why a combination of Graves and common knowledge is desirable. Therefore, the rejection of claims 21-24 should be withdrawn.

Moreover, it is well established that when a proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984). With respect to claim 21, the Examiner asserts that “it would be obvious to

modify Graves [according to Gung] to use a performance factor to determine supply forecasting because factors, such as, transporting reliability, and raw material availability would be considered.” Final Action, pg. 4. The Appellant respectfully points out that modifying Graves according to Gung would render Graves unsatisfactory for its intended purpose; therefore, the Examiner’s proposed combination does not comport with the requirements of 35 U.S.C. 103.

Gung describes a forecast system that attempts to determine the number of component parts needed for a final product by “forecast[ing] sales volume...by combining methodologies of statistical forecasts, categorical data analysis, and information theory. *See* Gung col. 3, lines 7-8; col. 3, lines 22-24. The forecast model of Gung is largely based on abstract, speculative values. In contrast, Graves presents a system wherein the actual, or real time, amount of consumable materials is tracked in at attempt to ensure a sufficient supply of the needed materials. Modifying the real time evaluation system of Graves to have the speculative forecast model of Gung would prohibit Graves from keeping track of consumable materials in real time. Such a modification would limit Graves only to forecast, or speculate, as to how much consumable materials would be needed in the future. Modifying Graves in this way would render it unfit for its intended purpose. Without proper motivation, the Current Action has failed to establish a *prima facie* case for rejecting claims 21-24, and the Appellant respectfully requests that the rejection be withdrawn.

Failure to Teach or Suggest Every Claim Element

1. *Independent Claim 21*

As Appellant best understands, the Examiner relies upon Gung to teach or suggest “forecasting demand based upon performance” and/or “creat[ing] a ‘basic standard’ upon which feedback could be met.” *See* Final Action, pgs. 4 & 6. The Appellant respectfully points out that “forecasting demand based upon performance” or “creating a basic standard” is not recited in claims 21-24. Nevertheless, Appellant endeavors to address the Examiner’s rejection. Claims 21 recites “computer readable code processed by said processor, wherein said code is operable to re-determine said required quantity using feedback relating to a performance of at least one supply chain participant.” Appellant submits that Gung does not teach or suggest this claim element. Rather, Gung discloses adjusting forecast demand based on “external constraints including price change, inventory status, and competitors

performance,” *see Gung* col. 3, lines 16-19, which is not the same as “forecasting demand based upon performance.” In view of such, the proposed combination fails to teach or suggest all elements of claim 21. Thus, the Final Action fails to establish a *prima facie* case of obviousness. Therefore, the Appellant respectfully requests the rejection of record be withdrawn.

2. *Dependent Claims 22-24*

Claims 22-24 depend from claim 21, and thus inherit all elements of claim 21. As shown, the Examiner’s proposed combination fails to teach or suggest every element of Applicant’s invention. Although each of claims 22-24 recite elements that make each patentable in their own right, each of claims 22-24 is patentable at least for depending from a patentable base claim. Therefore, the Appellant respectfully requests that the 35 U.S.C. 103(a) rejection of record be withdrawn.

VIII. CLAIMS

A copy of the claims involved in the present Appeal is attached hereto as Appendix A.

IX. EVIDENCE

No evidence pursuant to 37 C.F.R. §§ 1.130, 1.131, or 1.132, or entered by, or relied upon by the Examiner is being submitted. Hence no such Appendix is included.

X. RELATED PROCEEDINGS

No related proceedings are referenced in II above. Also, copies of decisions in related proceedings are not provided. Hence no such Appendix is included.

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as Express Mail, Airbill No. EV568255651US in an envelope addressed to: MS Appeal Brief - Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Date of Deposit: April 13, 2006

Typed Name: Laura Horton

Signature: Laura Horton

Respectfully submitted,

By

Michael A. Papalas
Reg. No.: 40,381

Date: April 13, 2006
Telephone No. (214) 855-8186

Claims Appendix

Claims Involved in the Appeal of Application Serial No. 10/004,296

1-20. (Canceled)

21. (Previously Presented) An inventory control system, said system comprising:
a processor operable to determine a required quantity of material;
a means for communicating with at least one supplier of said material, wherein said communication includes conveying to said at least one supplier said quantity and a time frame and receiving from said at least one supplier a confirmation;
computer readable code processed by said processor, wherein said code is operable to re-determine said required quantity using feedback relating to a performance of at least one supply chain participant.

22. (Previously Presented) The system of claim 21 wherein said feedback includes results of a comparison between an actual run rate and a corresponding anticipated run rate.

23. (Previously Presented) The system of claim 21 wherein said feedback includes results of a comparison between an actual production yield and a corresponding anticipated production yield.

24. (Previously Presented) The system of claim 21 further comprising:
computer readable code processed by said processor and operable to determine said quantity using one or more of a product forecast, a bill of materials, a material lead time, and a desired inventory level.

25. (Previously Presented) Computer executable code stored on a computer readable medium, said code comprising:

code operable to determine a desired quantity of material and a timetable for receiving said material;

code operable to interact with at least one supplier via electronic messages over the Internet, wherein said interaction is capable of acting as an order for said material and a confirmation of said order; and

code operable to send, via electronic messages over the Internet, a request for at least one additional confirmation of said order.

26. (Previously Presented) The code of claim 25 further comprising:

code operable to identify at least one alternate supplier of said material if said at least one supplier fails to confirm said order.

27. (Previously Presented) The code of claim 25 further comprising:

code operable to identify a supplier of alternate material if said at least one supplier fails to confirm said order.

28. (Previously Presented) The code of claim 25 further comprising:

code operable to receive electronic messages over the Internet, denial of said order from said at least one supplier; and

code operable to identify at least one alternate supplier of said material;

code operable to interact with said at least one alternate supplier, via electronic messages over the Internet, wherein said interaction is capable of acting as an order for said material and a confirmation of said order; and

code operable to re-evaluate said desired quantity of material and said timetable for receiving said material;

code operable to send, via electronic messages over the Internet, at least one request for additional confirmation.

29. (Previously Presented) The code of claim 25 further comprising:
code operable to re-evaluate said desired quantity of material and said timetable for
receiving said material;
code operable to modify said desired quantity or said timetable; and
code operable to adjust said order via the Internet, wherein said adjusted order reflects
said modified quantity or said modified timetable; and
code for adjusting said desired quantity based upon an analysis of forecasts for one or
more of, bills of materials, desired inventory levels, material lead times, actual run rates, or
actual yields.

Evidence Appendix

Related Proceedings Appendix